



RATING RATIONALE

21 Oct 2019

Divyanshu Enterprises

Brickwork Ratings downgrades the long term ratings for the Bank Loan facilities of ₹ 9.00 Crore of Divyanshu Enterprises based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Crores)		Tenure	Rating*	
	Previous	Present		Previous (May 2017)	Present
Fund Based Cash Credit	9.00	9.00	Long Term	BWR B+ Outlook: Stable	BWR D Issuer Not Cooperating* Downgraded
Total	9.00	9.00	Rupees Nine Crores Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate; based on best available information

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The Long term of the Bank Loan Facilities of the entity has been downgraded to BWR D under the 'Issuer Not Cooperating' category.

BWR had initially rated Bank Loan facilities amounting to Rs. 9.00 Crores (Fund based) on 05 May 2017. The Long term rating assigned was BWR B+ Stable. The rating was due for review in May 2018. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. Further, as informed by the banker, the conduct of the account is not satisfactory and asset classification of the account has been moved to the NPA category. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the entity, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING: Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS(in ₹ Cr) [As available with BWR in May 2017]

Key Parameters	Units	FY 16	FY 17
Result Type		Audited	Provisional
Operating Income	Cr	88.95	104.00
EBITDA	Cr	0.76	3.59
PAT	Cr	0.50	0.65
TNW	Cr	3.71	8.14
(TOL/TNW)	times	5.10	2.72

COMPANY PROFILE [As available with BWR in May 2017]

Divyanshu Enterprises was initially started as a proprietorship firm in 2012 and later on, it reconstituted to a partnership firm in 2016. Based in Haryana, the firm is into business of trading and exporting of fabric, garments and home furnishing items. It is also involved in supplies to domestic companies like Shri Krishna Trading, SR Exim P Limited and Venus Exports treated as deemed exports and also direct export to countries - Dubai, Hongkong etc

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY

NA

RATING HISTORY

Instrument /Facility	Current Rating			Rating History		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Aug-2018	May-2017	2016
Fund Based Cash Credit	Long Term	9.00	BWR D Issuer Not Cooperating* Downgraded	Rating Not Reviewed	BWR B+ Outlook: Stable	-
Total		9.00	Rupees Nine Crores Only			

*Issuer did not cooperate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I

Divyanshu Enterprises

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Oriental Bank of Commerce	Fund Based	9.00	-	9.00
TOTAL					9.00

Total Rupees Nine Crores Only.



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